

D.P.U. 96-49-L

Application of Western Massachusetts Electric Company, pursuant to G.L. c. 164 App., §§ 2-1 through 2-10 and 220 C.M.R. §§ 7.00 et seq., for approval by the Department of Public Utilities of the Company's proposed surcharge for the Residential Energy Conservation Service Program for fiscal year 1997 (July 1, 1996 through June 30, 1997). Western Massachusetts Electric Company is a member utility of Mass-Save, Inc., which provides services on its behalf.

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FOR: WESTERN MASSACHUSETTS ELECTRIC
COMPANY
Petitioner

I. INTRODUCTION

On May 13, 1996, pursuant to G.L. c. 164 App., §§ 2-1 through 2-10 and 220 C.M.R. §§ 7.00 et seq., Western Massachusetts Electric Company ("WMECo" or "Company") filed with the Department of Public Utilities ("Department") a petition for approval by the Department of the Company's proposed surcharge of \$0.08 per monthly bill for the residential energy conservation service ("ECS") program for the fiscal year July 1, 1996 through June 30, 1997 ("FY 1997"). WMECo is a member utility of MSI, which provides ECS to the Company's customers on behalf of WMECo. The petition was docketed as D.P.U. 96-49-L.

Pursuant to notice duly issued, a hearing was held at the offices of the Department on June 10, 1996. No petitions for leave to intervene were filed. In support of its petition, the Company sponsored the testimony of one witness: S. H. Chon, senior rate research analyst, Northeast Utilities Service Company.¹ The Company submitted one exhibit which was admitted into evidence.

II. ECS SURCHARGE

The ECS surcharge is calculated by dividing the total number of bills expected to be rendered during FY 1997 by the net amount to be collected to support ECS services (Exh. WM-1, at 1). The Company indicated that its share of MSI's proposed FY 1997 ECS program budget, approved by the Department in Mass-Save, Inc., D.P.U. 96-49 (1996), is \$343,070 (id.). In addition to the projected ECS program expenditures, the Company provided documentation

¹ Northeast Utilities Service Company provides management services to WMECo, including the development and filing of the Company's annual ECS surcharge proposal.

which reconciled undercollections and overcollections from prior fiscal years (id.). The effect of these reconciling items is an undercollection of \$57,161 for the fiscal year July 1, 1995 through June 30, 1996 ("FY 1996"), and an overcollection of \$192,454 for prior fiscal years (id.).

Adjusting the budget amount for these under and overcollections results in a net amount to be collected in FY 1997 of \$207,777 (id.).

For FY 1997, the Company initially proposed an ECS surcharge of \$0.08² per bill per month (id.). The proposed ECS surcharge is \$0.03 per bill less than the ECS surcharge of \$0.11 per bill per month approved by the Department in Western Massachusetts Electric Company, D.P.U. 95-46-L (1995), for FY 1996 (Tr. at 4-5). Mr. Chon testified that the difference between the FY 1996 surcharge and the FY 1997 surcharge was due to (1) a decrease in MSI's proposed budget for FY 1997, and (2) an overcollection by WMECo in FY 1993 and FY 1995, because fewer ECS audits were performed than had been budgeted (id. at 5).

III. FINDINGS

Based on the foregoing, the Department finds that:

² The surcharge calculated to four decimal places is \$0.0895 (WM-1, at 1). The calculation truncated to two decimal places results in a \$0.08 surcharge to be applied to customer bills.

1. the proposed FY 1997 ECS program budget, budget reconciliations, and proposed FY 1997 surcharge, are reasonable; and

2. the ECS surcharge to be applied to Company bills during the fiscal year July 1, 1996 through June 30, 1997 shall be \$0.08 per bill per month.

IV. ORDER

Accordingly, after due notice, hearing, and consideration, it is

ORDERED: That the ECS surcharge to be applied to Western Massachusetts Electric Company bills during the fiscal year July 1, 1996 through June 30, 1997 shall be \$0.08 per bill per month; and it is

FURTHER ORDERED: That Western Massachusetts Electric Company shall file for an adjustment to its ECS surcharge in the event that it is overcollecting by more than ten percent at the end of the third quarter of FY 1997.

By Order of the Department,

Mary Clark Webster, Commissioner

Janet Gail Besser, Commissioner

Appeal as to matters of law from any final decision, order or ruling of the Commission may be taken to the Supreme Judicial Court by an aggrieved party in interest by the filing of a written petition praying that the Order of the Commission be modified or set aside in whole or in part.

Such petition for appeal shall be filed with the Secretary of the Commission within twenty days after the date of service of the decision, order or ruling of the Commission, or within such further time as the Commission may allow upon request filed prior to the expiration of twenty days after the date of service of said decision, order or ruling. Within ten days after such petition has been filed, the appealing party shall enter the appeal in the Supreme Judicial Court sitting in Suffolk County by filing a copy thereof with the Clerk of said Court. (Sec. 5, Chapter 25, G.L. Ter. Ed., as most recently amended by Chapter 485 of the Acts of 1971).